



FILED

02-23-07
11:24 AM

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of California-American Water Company (U 210 W) for an Order Authorizing it to Increase its Rates for Water Service in its Los Angeles District to Increase Revenues by \$2,020,466 or 10.88% in the Year 2007; \$634,659 or 3.08% in the Year 2008; and \$666,422 or 3.14% in the Year 2009.

Application 06-01-005
(Filed January 9, 2006)

**ADMINISTRATIVE LAW JUDGE'S RULING DIRECTING
SUPPLEMENTAL MOTION TO FEBRUARY 15, 2007 MOTION TO REOPEN
THE RECORD TO AMEND THE SETTLEMENT AGREEMENT ON THE
REVENUE REQUIREMENT**

This ruling memorializes the following e-mail sent on February 22, 2007 to all parties:

To All Parties in A.06-01-005:

I have done a preliminary review of this motion and proposed amended settlement and I find additional information needs to be supplied by Cal-Am in order for the Commission to understand the impact of the proposed settlement changes.

Specifically, a comparison of the attached tables with the August settlement reveals an upward adjustment of approximately \$500,000 in operating and maintenance expenses, and this increase appears to go to San Marino customers, with some level of decrease to Duarte customers. I direct Cal-Am to file a supplement to this February 15, 2007 motion that provides a comparison table of dollar changes contained in its motion and accompanying tables that reflect the percentage change in customer bills in each subsystem

between the existing record settlement and this proposed amendment.

Next, I request that Cal-Am discuss the procedural process that would be followed if these errors in supply mix were discovered after the Commission rendered a final decision and how these procedural processes would change if the Commission approves Cal-Am's Full Cost Balancing Account proposal that is before us in Phase II.

I direct Cal-Am to file its supplemental motion within 5 days of this e-mail. Under Rule 11.1, all parties will have 15 days to respond to the motion. I will memorialize this e-mail by formal ruling.

Christine M. Walwyn, ALJ

Therefore, **IT IS RULED**, that California- American Water Company shall comply with this ruling no later than February 27, 2007.

Dated February 23, 2007, at San Francisco, California.

/s/ CHRISTINE M. WALWYN

Christine M. Walwyn
Administrative Law Judge